Steering Committee Meeting #3

Development Charge & Impost Fee Background Study

Summary Notes

Steering Committee Meeting #3 was held on March 26th, 2014 in the Councillor’s Lounge, City Hall. The following briefly summarizes the discussions at this Meeting.

Attendees: Andrew Grunda (Watson & Associates), Peter Simcisko (Watson & Associates), George Wallace (City), Desiree Kennedy (City), Cherie Mills (City), Lanie Hurdle (City), Sheila Kidd (City), Christa Wallbridge (KEDCO), Neal Ritchie (KHBA), Jordan Van Leuken (KHBA), Doug Haight (KCA), Harry Sullivan (KCA), Alf Hendry (Homestead)

Regrets: Jim Miller (UK), Randy Murphy (UK), Terry Willing (City), Mark Van Buren (City), Lana Foulds (City), Jeff Garrah (KEDCO), Christian Hugget and Bernard Luttmer (Podium)

Review of Development Charge Growth Forecast
Watson & Associates reviewed the various tables and maps attached to the Agenda (Appendix A) respecting the population, employment and housing forecasts that comprise the growth forecast for the period 2014 – 2034.

Review of DC Service Standards, Capital Needs and Preliminary DC Calculations
Watson & Associates reviewed the various documents attached to the agenda (Appendix B) and explained how the preliminary charges for the various services had been calculated. During the discussions, the following issues, concerns were raised:

- Kingston Home Builders Association (KHBA) raised the issue of combining the DC and Impost into a single charge, noting that is the case in almost all Ontario municipalities. They indicated that they have been requesting this in the past reviews as well. It was agreed that this will be one of the main topics of discussion at the next Steering Committee Meeting;

- Homestead Land Holdings raised the issue of the extension of Cataraqui Woods Drive east of Sydenham Road (their March 7th letter was attached to the Agenda) and indicated that if they cannot finalize a second means of access to the Purdy’s Mill site, they will be “frozen out” of development in Kingston after the first three apartment buildings in Purdy’s Mill are constructed. This matter will be discussed further in the context of the roads needs information to be presented at the April 9th Meeting. (It is noted that a preliminary response to their letter has already been provided by City staff);

- Steering Committee members were advised that any comments respecting the materials attached to the agenda or regarding any of the matters discussed at the meeting should be submitted in the next week or two;
• It was confirmed that there would be no DC for Ambulance, Health Care or Building Services;

• There was discussion regarding the issue of calculating replacement cost for buildings. The Consultant directed SC Members to the applicable Regulation which provides for replacement cost to be based on replacement cost excluding any adjustment for amortization;

• The Consultant advised that the main increases in the DC relate to Public Works, Library, Airport and Municipal Parking. The Airport and Municipal Parking are new services that were not included in the 2009 DC;

• Public Works - the Consultant noted that the increase in this charge was primarily due to the change in cap space (the difference between the gross capital cost estimate and the level of service cap adjustment) and the fact that the service standard has increased in recent years;

• Municipal Parking - the only item included in the DC calculation was a Parking Report – Intensification Study (net cost of $90,000) to assess the impacts on parking supply demands from growth resulting from intensification. KHBA was of the opinion that new home owners should not pay for this, rather it should come from the tax base. A question was raised whether or not this should be an area specific charge. After discussing, KHBA suggested this be included under Administration Studies rather than as a new DC eligible service;

• Airport - KHBA questioned whether the airport expansion had greater benefit for non-residential development. Following discussion, KHBA indicated that the airport expansion related more to the changes to the fleet (i.e. smaller aircraft being phased out) rather than growth. Kingston Construction Association (KCA) indicated that the expansion was being driven by changes to airline operations and as a possible marketing tool for the City and therefore should be paid for by tax base. If the charge was to be included, more should be allocated to non-residential development;

• Parks - it was noted that the DC was actually decreasing from the 2009 rate. Commissioner Hurdle advised the Committee that a report was going to Council on April 1 regarding an East End Community Centre and that the result of Council’s deliberations could impact the DC as the construction of a new East End Community Centre had not been included in the calculation. KHBA noted that as part of the Invista Centre approval, some existing facilities were to be closed (i.e. Cook Brothers and Wally Elmer) and questioned why they were still included in the facility inventory. The Consultant advised that the preliminary charge is based on the existing service level and whether or not the facility was still operational. It was confirmed that Cook Brothers was not included in the inventory;

• Libraries - it was noted that the increase in the charge was due to expanded programming and expansion at some of the branches (e.g. 4,000 sq.ft. expansion to Pittsburgh Branch);
• **Administrative Studies** - KHBA questioned the inclusion of the Zoning By-law Consolidation and whether it was due to growth or amalgamation. Their position was that the biggest component of that project was consolidating the existing By-laws and not zoning for new growth. It was agreed that staff would provide clarification respecting the inclusion of this item. KHBA had similar comments regarding the Pedestrian Plan. After some discussion, KHBA requested that all of the listed studies be reviewed in terms of who benefits the most, existing development or future growth. KHBA suggested that the split should be based on the existing population versus the projected population;

• **Affordable Housing** - KHBA questioned why this shouldn’t be paid for from the tax base as the need already exists and shouldn’t be attributed to growth. It was confirmed that the Affordable Housing service is simply replacing the Social Housing service already included in the DC and that the change in terminology did not broaden the range of DC eligible costs. It was also pointed out that the preliminary charge is actually decreasing;

**Discussion Regarding Submissions Received to Date**
The submissions received to date were attached to the Agenda as Appendix C and Appendix D. This included three (3) submissions respecting the Methodology Policy Review (Kingston Construction Association, Kingston Home Builders Association and Homestead Land Holdings), a White Paper prepared by the Chamber of Commerce and a letter from Homestead Land Holdings (re: extension of Cataraqui Woods Drive). Each of the submissions was addressed by the Consultant and there was an indication of those items that had been discussed at the meeting and those that would be discussed at the next meeting on April 9th or in the Policy Implementation Report to be presented for discussion at Steering Committee Meeting #5.

**Project Schedule**
A Revised Project Schedule was distributed at the meeting. The following future meetings/ milestones were discussed:

• The need for an additional Steering Committee Meeting was identified in late April or early May to discuss Implementation Policy Issues and the Draft Background Study (Note: a meeting invite has been circulated for Wednesday, April 30th from 10:00 a.m. to 12:30 p.m. in the Councillor’s Lounge, City Hall);

• Council Workshop, Tuesday, May 27th, 2014;

• It was indicated that a further Steering Committee Meeting will be required in June following the Council Workshop in order to finalize the Background Study so that it can be released to the public at least 2 weeks in advance of the Statutory Public Meeting. A future meeting request will be circulated respecting this meeting;

• Statutory Public Meeting, Tuesday, July 15th, 2014;

• Passage of DC/Impost By-laws – 1st and 2nd Readings on August 12th, 2014 and 3rd and Final Reading on September 9th, 2014.
Other Business

- In response to a question regarding the comments submitted to date and how they will get to Council, the Committee was advised that a summary of the issues raised at the Steering Committee Meetings and in the written submissions that are received will be included as part of the Draft Background Study that will be presented at the Council Workshop on Tuesday, May 27th, 2014. It was noted that any comments from Committee Members would need to be received by May 20th for inclusion in the Draft Report;

Next Steering Committee Meeting

Wednesday, April 9th, 2014, Councillor’s Lounge, City Hall